



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 7/1/2003

GAIN Report #IN3053

## India

## Oilseeds and Products

## Update - July

## 2003

Approved by:

**Michael Riedel**

**U.S. Embassy**

Prepared by:

V. Shunmugam

---

### Report Highlights:

**Indian edible oil imports recorded a monthly record of 725,000 tons in May 2003 on account of depleting stocks, poor winter harvest, and a slightly below-normal monsoon forecast. Low production and sturdy demand from the domestic dairy and poultry sectors led to a 46 percent fall in Partial Marketing Year (PMY) 2002 (Oct-May) oilmeal exports, now estimated at 1.44 million tons.**

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], IN



## India's monthly edible oil imports set new record

Experiencing dwindling stocks, a poor winter harvest, and a slightly below-normal monsoon forecast, Indian importers imported a record 725,000 tons of edible oils in May 2003. Boosted by logistical advantages, lower prices, and lower effective tariffs (lower tariff values versus actual cif prices), the share of palm oil in total imports increased to 76 percent; palm oil imports are estimated at 2.4 million tons for Partial Marketing Year (PMY) 2002 (Oct 2002 - May 2003), compared with 73 percent during the same period a year ago. Despite increased soy oil imports during PMY 2002 estimated at 720,000 tons, soy's share in total edible oil imports decreased to 22 percent from a year ago share of 25 percent. The share of soy oil imports is expected to decline further due to higher prices vis-a-vis palm oil and a higher effective tariff resulting from higher reference prices. Lower international prices led to a revival of sunflower oil imports during PMY 2002 estimated at 40,000 tons compared with 14,000 tons imported in all of MY 2001.

Post has included crude palm kernel oil (CPKO) imports into its MY 2002 (Oct 2002 - Sep 2003) estimates due to a significant increase in its imports and its increasing use for edible purposes. CPKO is used for both food and industrial purposes. Imports of CPKO during PMY 2002 are estimated at 46,311 tons, of which about 20,000 tons were used for edible purposes.

**Table 1: Edible oil arrival trend - PMY 2002 Vs. PMY 2001 - Oct - May (tons)**

Type	May 2003	PMY 2002 (Oct - May)	Percent Change - PMY 2001 Vs PMY 2002
Palm Oil	566,831 (78.2)	2,429,128 (75.9)	37.4
Soybean Oil	157,799 (21.8)	718,875 (22.9)	12.8
Sunflowerseed Oil	0	40,350 (1.2)	192.0
Rapeseed Oil	0	5,540 (0.2)	- 46.7
Coconut Oil	0	5,600 (0.2)	NA
Total	724,630 (100.0)	3,199,493 (100.0)	31.5

## MY 2003 Oil meal shipments drop on lower production

Lower oil meal production due to a drought-reduced MY 2002 oilseeds crop and a sturdy demand from the domestic dairy and poultry sectors led to a 46 percent reduction in oil meal exports; PMY 2002 is now estimated at 1.44 million tons. A poor harvest and higher domestic prices due to a lack of cheaper protein-rich feed options led to a 68 percent reduction in soy meal export shipments in May 2003. PMY 2002 soy meal exports have declined by 50 percent, and are estimated at 1.13 million tons. Despite this, Post increases its MY 2002 soy meal export estimates marginally from 1.13 to 1.15

million tons, as ongoing exports by a few traders discharging their earlier unavoidable contracts are expected to keep exports steady.

Rape meal exports in May 2003 increased four-fold compared with a year ago to reach 35,000 tons. However, Post expects the pace of rape meal exports to slow in the remaining months, touching 350,000 tons in MY 2002 on a lower crush and strong domestic demand. PMY 2002 peanut meal exports estimated at 1,250 tons continue to be sluggish due to lack of export demand, strong domestic markets, and decreased production.

**Table 2: Oil meal shipment trend - PMY 2002 Vs. PMY 2001 - Oct - May (tons)**

Oil Meal	May 2003	PMY 2002 (Oct - May)	Percent Change - PMY 2001 Vs PMY 2002
Soymeal	23,175	1,129,775	-50.2
Rapeseed Meal	35,025	305,200	12.7
Peanut Meal	0	1,250	-98.8
Total	58,200	1,436,225	-45.7

## Commodity, Soymeal, PSD table

PSD Table							
Country:							
Commodity:							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2001		10/2002		10/2003	(MONTH/YEAR)
Crush	4629	4629	3420	3250	0	4950	(1000 MT)
Extr. Rate	0.7993087	0.7993087	0.7982456	0.7846154	ERR	0.7878788	
Beginning Stocks	40	40	42	0	0	0	(1000 MT)
Production	3700	3700	2730	2550	0	3900	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	3740	3740	2772	2550	0	3900	(1000 MT)
MY Exports	2450	2450	1200	1150	0	2400	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	80	80	70	90	0	100	(1000 MT)
Feed Waste Dom.Consum.	1168	1168	1465	1310	0	1400	(1000 MT)
Total Dom. Consumption	1248	1248	1535	1400	0	1500	(1000 MT)
Ending Stocks	42	42	37	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	3740	3740	2772	2550	0	3900	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

